

Division of Human ResourcesFY 2012-13 Compensation & Benefits Information

June 2012

Compensation and Benefits Adjustments

ood news for FY 2012-13 in compensation and benefits: Employees will see a 2.5% increase in their net pay (see "Sunset of 2.5% 'Swap' in PERA Contributions" later on), and in response to concerns regarding the cost of healthcare, no employee will see an increase in his or her share of medical plan premiums in the coming fiscal year. Governor Hickenlooper and the Department of Personnel & Administration, working in concert with the Joint Budget Committee, achieved a reduction in the medical plan premiums you will pay in FY 2012-13 (an average savings of \$174 per employee, per month), regardless of which health insurance plan or tier you have selected.

The Long Bill (SB12-1335) was signed by the Governor on May 7. Funds appropriated by the

View SB12-1335 at the <u>Colorado General Assembly</u> website.

General Assembly do not include salary adjustments. For the fourth consecutive year, there will be no funding for base or non-base pay increases, which includes pay structure adjustments and employee pay increases for market or performance. Further, the State Personnel Director, Kathy

Nesbitt, has provided direction for employee salaries in the Senior Executive Service (SES) pay plan to remain within the SES salary lid, established for fiscal year 2008-09: \$12,073.

Compensation Plan

The official annual compensation plan, effective July 1, 2012, has been published and is available on the DPA/DHR website at www.colorado.gov/dpa/dhr/compplan. The plan's cover letter highlights shift differentials and on-call rates, overtime rates, minimum wage, hazardous duty premiums and guidelines on separation incentives – all of which are unchanged from FY 2011-12.

Minimum and maximum pay range values also were not adjusted from FY 2011-2012, however, the statutory lid values were adjusted, affecting the range maximums of lid classes.

Statutory Salary Lid Adjustments						
Pay Plan	FY 11-12	% Change	FY 12-13			
General	\$10,230	3.7%	\$10,608			
SES	\$12,787	General lid + 25%	\$13,260			
Medical	\$18,217	3.7%	\$18,891			

Range Maximums Adjusted, No Longer at Statutory Lid

Class Code	Pay Grade	Class Title	New Maximum	Adjustment Reason
H8C3	H62	Controller III	\$10,334	No longer capped at the lid
H2I8	H92	IT Professional VI	\$10,355	No longer capped at the lid
I3A6	I48	Environ Protect Spec V	\$10,232	No longer capped at the lid
I3B6	I48	Phy Sci Res/Scientist V	\$10,232	No longer capped at the lid

NOTE FOR CPPS USERS: For users of the Colorado Personnel Payroll System (CPPS), all rates are based on monthly values, which means hourly rates are likely rounded. For example, within CPPS, the actual hourly rate reflecting the minimum wage (range minimum for Temporary Aide class, P1A1) is \$7.644; the Colorado minimum wage is \$7.64.

System Maintenance Studies

The FY 2012-13 compensation plan, includes the implementation of one system maintenance study, Collections Representative, effective July 1, 2012. The following table outlines the pay grade adjustments; class titles and codes will remain the same. For more details on the system maintenance study, please review the official Job Evaluation Letter (JEL) located on the DHR website at www.colorado.gov/dpa/dhr/jel.

Class Code	Class Title	Current Grade	New Grade
G4A1TX	Collections Rep I	G23	G32
G4A2XX	Collections Rep II	G30	G39
G4A3XX	Collections Rep III	G46	G55

Senior Executive Service (SES)

SES employees have a stop-pay date in CPPS for when their current performance contract expires. Departments must enter a new stop-pay date (end date) of 6/30/13 when entering the salary amounts for the new fiscal year performance contracts in CPPS. This applies even if salaries have not changed from FY 2011-12.

Benefit Plans

The FY 2012-13 open enrollment period ended May 16, 2012. There are three key changes for employee benefits for the FY 2012-13 plan year.

- Healthcare Flexible Spending Accounts (HCFSAs) The maximum annual contribution is reduced to \$2,500 from the previous \$6,000 contribution amount. This reduction complies with federal healthcare reform requirements. The maximum annual contribution for Dependent Care FSAs will remain at \$5,000.
- **Delta Dental** The number of Delta Dental in-network providers throughout the State will increase. In addition to Delta's PPO dentists, beginning July 1, 2012, Delta's Premier dentists will also be recognized as in-network providers. This means that the full amount of their maximum plan allowance, the most a Delta dentist can charge for a service, will be eligible for payment, subject to the plan's coverage rules.
- Kaiser Permanente A new service area, Kaiser Northern Colorado, has been added. This
 area will serve primarily Larimer and Weld counties. Eligibility for Kaiser Northern Colorado,
 as well as the other Kaiser service areas for state employees, is determined by an
 employee's home zip code.

See the April 2012 issue of <u>HealthLine</u> for additional details on FY 2012-13 medical and dental premiums and benefits information.

Federal Healthcare Reform for FY 2012-13

The Accountable Care Act (ACA) will not cause changes for the State's medical and dental plans as key changes were put into place this past year (FY 2011-12). Those changes included:

- no charge for recommended preventive care services provided by in-network providers (as defined by ACA and within frequency guidelines);
- coverage for dependent children ages 19 up to 26 for medical, dental and dependent child life

2012 Legislation

Sunset of PERA "Swap"

s a result of the Governor's proposal to allow legislation requiring the temporary change in PERA contribution levels to sunset (Senate Bill 11-076), the financial responsibility for the 2.5% contribution will shift back to the State and it will no longer be paid by employees. For the first time in two years, employees will see that 2.5% back in their net pay in FY 2012-13, which begins with the biweekly pay date of July 27, 2012, and monthly pay date of July 31, 2012.

Payday Shift, HB12-1246

egislation approved a reversal of the annual payday shift for employees paid on a biweekly basis. Beginning June of next year (2013), biweekly paid employees will have no delay of their last regularly scheduled pay day in the month of June. Employees paid on a

monthly basis will continue to have their pay shifted to the first business day in the month of July. For more information, please reference the new law or contact your department's payroll office.

Talent Agenda

B12-1321 was signed by the Governor on June 6 and goes into effect September 1, 2012. This law replaces pay for performance with a new merit pay system based upon employees' performance and placement within the salary range. In addition to monies appropriated for merit pay by the General Assembly, reversions from specified line items at the close of each fiscal year may be available, dependent on the Department, to provide additional merit pay funding. The passage of this bill does not guarantee a pay increases for employees. Similar to pay for

performance, the merit pay system will rely on appropriated dollars from the General Assembly on an annual basis. There is a potential for an increase through reversions from Departments, but any reversion dollars that may be captured and applied for merit pay increases in the future will not be available until the close of the next fiscal year, June 2013.

The new law also phases out the disruptive practice known as "bumping," except for any employee who is within five years of full retirement. Instead, the new law will allow for employees who are separated from service due to lack of work. lack of funds or reorganization to receive severance pay/post employment compensation or other benefits (health benefits, tuition or educational training vouchers, placement on a reemployment list or a hiring preference).

CPPS Fiscal Year-End Processing Schedule for July 2012

The events listed below explain system maintenance studies and payroll processes for June/July 2012 and is intended for all payroll and human resource staff that process transactions in CPPS for fiscal year end. There will be no achievement pay or pay structure adjustments on July 1, 2012.

To ensure a successful run for these processes, please follow the instructions below. Keep in mind that these instructions apply to classified users. However, when the instructions indicate that a system will be disabled, this applies to *all* users.

Monday, June 11, 2012

CPPS Schedule 062 will process. Payday will be June 15, 2012.

By Tuesday, June 19, 2012

All agency to agency transfers and problem reinstatements with an effective date for **June** must be delivered to HR support to be entered into the system by June 20, 2012. Please send earlier if at all possible to allow ample input time for all agencies statewide.

By Friday, June 22, 2012

Online users should have *all* actions with an effective date for **June** entered into the system. It is very important to have CPPS records up to date.

Monday, June 25, 2012

CPPS Schedule M06 will process. Payday will be July 2, 2012.

Tuesday, June 26, 2012

CPPS schedule 062 will process. Payday will be July 2, 2012.

Wednesday, June 27, 2012

Upload from Benefits Administration System (BAS) of open enrollment data into CPPS.

Friday, June 29, 2012

CPPS Schedule 906 will process.

Monday morning, July 2, 2012

CPPS will be disabled at 6:00 a.m. so the DPA Office of the State Controller can enter changes from the system maintenance studies with an effective date of July 1, 2011. Any employees' actual salaries that are below the new range minimum as a result of a system maintenance study will be brought to the new minimum.

Monday morning, July 2, 2012 (after prior step finished)

The system will be available after the prior step is complete. Users should enter: reallocations, transfers, promotions, demotions, reversions, voluntary salary reductions and other actions with an effective date of July 1, 2012.

Monday night, July 2, 2012

OIT Enterprise Application Services will remove employees from save pay if the three-year clock has expired.

Tuesday, July 3, 2012

Personnel Action Forms (PAFs) will be available in Document Direct for viewing and printing.

Wednesday, July 4, 2012

State offices closed in observation of the Independence Day holiday.

Monday July 09, 2012

SCH 071 processes for payday July 13, 2012.

NOTE: Departments should validate fiscal year end system changes for their employees and correct any individual errors (including payroll batch for any temporary disciplinary pay

reductions below new minimums). If you have any questions, contact HR customer support at HR.Support@state.co.us.

FY 2013-14 Annual Compensation Survey Process

The process was published as proposed in April 2012 and two meet and confer sessions were held April 30 and May 1, 2012. The final survey process will be published and available on the DPA/DHR website at www.colorado.gov/dpa/dhr/totalcomp.